

North Lanarkshire Council Report

Policy and Strategy Committee

Does this report require to be approved? Yes No

Ref: CC/BF

Date: 19 March 2026

Contract Award for Postal Services

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Executive Summary

The council requires provision of a variety of postal services on an ongoing basis to meet its statutory obligations across a range of service areas. Postal services require to be continuously available to the council with no delay or break.

The council's current contracts for postal services are in place until 30 June 2026, however the national collaborative framework used previously expired in June 2025 and was not replaced.

Alternative procurement options were considered to create subsequent contracts, however Scotland Excel now plan to tender the postal requirements for several local authorities in an aggregation exercise and has invited the council to join. While it is anticipated that Scotland Excel's approach will achieve the best value for the council over a longer term, the contract is not yet available until later in 2026.

To provide time for Scotland Excel to finalise its procurement and allow the council a future option to join that contract (subject to approval of a future committee), the committee is asked to approve the award of interim contracts to our incumbent suppliers, Royal Mail Group Limited and Critiqom Limited.

The interim contracts proposed are for the period 1 July 2026 to 31 December 2026, with the option to extend until 30 June 2027. Based on previous usage and forecasting demand the council's anticipated aggregate spend across these contracts, (for up to 12 months), would be £1,525,000 exclusive of VAT. The procurement route of the interim contracts would be direct awards made from the Crown Commercial Services Postal Services Framework ("CCS Framework").

Recommendations

It is recommended that the Policy and Strategy Committee:

- (1) Approve interim contract awards, for a period up to 12 months, to:
 - Royal Mail Group Limited for Physical Mail, contract value £325,000, exclusive of VAT; and,
 - Critiqom Limited for Hybrid and Scheduled Mail, contract value £1,200,000 exclusive of VAT.
- (2) Endorse the council's participation in Scotland Excel's upcoming aggregated procurement.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition Statement	(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1. The council requires provision of a variety of postal services on an ongoing basis to meet its statutory obligations across a range of service areas. Postal services require to be continuously available to the council with no delay or break.
 - 1.2. Committee approved the below contracts in June 2023:
 - Royal Mail Group Limited for Physical mail services, for the period 1 January 2024 to 30 June 26.
 - Critiqom Limited for Hybrid, Scheduled Bulk/Planned for the period 1 January 24 to 30 June 26.
 - 1.3. The contracts were procured as on a direct award basis from Scotland's National Collaborative Framework for Postal Services ("National Framework").
 - 1.4. The National Framework expired in June 2025. Public bodies were notified that the National Framework was not being replaced but were referred to the Crown Commercial Services Postal Services Framework ("CCS Framework") as an alternative procurement route.
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2. Report

- 2.1 An internal project team has been reviewing alternative procurement routes and options to arrange new contracts to commence from 1 July 2026, to dovetail with the current contracts ending.
- 2.2 An option that could have been considered was for the council to undertake an open tender on its own, however it is more beneficial to use an established framework from which the market has already been tested, where the contractors have been evaluated and agreed to service specific terms and conditions, and standard pricing / rate cards with each contractor are set.
- 2.3 The CCS Framework for postal services is immediately available to all UK public bodies and has been live from 3 October 2023 and is in place until 2 October 2027. It is a multi-lot and multi-contractor framework from which the council can source all its postal requirements, and our incumbent contractors are both on this framework.
- 2.4 With the National Framework not being renewed, Scotland Excel recently stepped in with a solution, planning to aggregate the postal requirements for multiple local authorities and then undertake a mini competition using the CCS Framework. Scotland Excel is keen for the council to participate in its exercise to boost the volumes in competition and secure the best possible discounted rates. The timelines for Scotland Excel's procurement however are not finalised and its contract is not expected be ready for the council to use when its current contracts end on 30 June 2026.
- 2.5 The council can still participate with Scotland Excel, but to allow continuity of service, it requires the council to put in place an interim contract arrangement now. Once the Scotland

Excel contract is ready, a report can be brought to a future committee to provide details and seek approval to use.

- 2.6 A number of options have been considered including:
- 2.6.1 Option 1 Open Tender – this would be open to any contractor to compete for our requirements and would allow us to establish the contracts using our own terms and conditions. These tenders would be evaluated using the most economically advantageous scoring model. If a new contractor was the successful tenderer, this would require some time to mobilise. Competition could be negatively impacted, as the key contractors in the marketplace have already tendered to join the CCS Framework and may not participate as it would incur further bid costs.
- 2.6.2 Option 2 Direct Award – this would allow the council to maintain continuity by contracting to our incumbent contractors without incurring up front switching costs i.e. changing contractor for Hybrid mail services would require changing system and retraining staff. A contract made by Direct Award from the CCS Framework must be based on the rate cards, there is no option to negotiate discounts.
- 2.6.3 Option 3 Mini Competition – this would seek tenders from all CCS Framework contractors and seek discounts on their rate cards. These tenders would be evaluated using the most economically advantageous scoring model, for which switching costs can be built into the price evaluation. If a new contractor was the successful tenderer, this would require some time to mobilise the contract.
- 2.6.4 Option 4 Scotland Excel Mini Competition – participate with Scotland Excel, who will fully manage a Mini Competition from the CCS Framework inclusive of the council's requirements and volumes. Under this option, it would be necessary for the council to make short term arrangements to provide continuity of service until the Scotland Excel contract is finalised.

Conclusion / Recommendation

- 2.7 Over a longer term, Scotland Excel's Mini Competition would provide the best value for the council based on the larger volumes and economies of scale savings. Until more details of that contract are known, the council must have certainty and therefore secure its own contract to commence 1 July 2026.
- 2.8 Using Option 2, a Direct Award, committee is asked to approve interim contract awards to our incumbent contractors:
- Royal Mail Group Limited for Physical Mail; and
 - Critiqom Limited for Hybrid and Scheduled Mail.
- 2.9 These interim contracts would be for the period 1 July 2026 to 31 December 2026, with the option to extend until 30 June 2027, should the Scotland Excel procurement not be ready to implement.
- 2.10 Based on previous usage and forecasting demand of the council's anticipated aggregate spend across these contracts (for up to 12 months), are as follows:
- Royal Mail Group Limited for Physical Mail, contract value £325,000, exclusive of VAT; and,
 - Critiqom Limited for Hybrid and Scheduled Mail, contract value £1,200,000 exclusive of VAT.

2.11 Officers from Strategy and Engagement will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3 Measures of success

- 3.1 Appointment of contractors who have the experience and capability to deliver robust postal services which meet the council's needs.
- 3.2 Procurement procedure that is compliant with the procurement legislation and internal procedures.
- 3.3 Best value that is both demonstrable and achieved.

4 Supporting documents

- 4.1 **Appendix 1** Summary of Procurement Procedure



Carolynne Coole
Interim Chief Officer (Strategy and Engagement)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? Estimated costs are based on historic usage. Actual spend will be dependent on the usage of postal services which is determined by the requirements of the business activity across all Service Areas.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

The contractors have submitted a carbon reduction plan as part of their appointment to the framework; this helps customers understand the impact of their operations on the environment.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Procurement Procedure

Contracts	Reference	NLC-CPT-25-112	NLC-CPT-25-113
	Title	Provision of Postal Services <ul style="list-style-type: none"> Physical Mail 	Provision of Postal Services <ul style="list-style-type: none"> Planned/Hybrid Mail
	Classification	Services	Services
Competition	Governance by Value	The Framework terms & conditions, with adherence to the council's GCSO 13 on Third Party Frameworks	
	Procurement Route	Call-off following Direct Award using a Third Party Framework (Multi Contractor Framework)	
	Award Criteria	Best Value assessment, in accordance with the Framework Information	
	Comments	<p>By utilising a Direct Award, it allows the council to directly engage and contract with appointed framework contractors who have already went through a full competitive procurement procedure where the contractors have been evaluated and agreed to service specific terms and conditions and set their rates.</p> <p>The contract awards are proposed to the council's incumbent contractors, which ensures there are no switching costs for the council, and it provides continuity without any break in service.</p>	
Award Details	Value	£325,000	£1,200,000
	Contract Duration	6 months, option to extend by 6 months (6 + 6)	6 months, option to extend by 6 months (6 + 6)
	Contractor Name	Royal Mail Group Limited	Critiqom Limited (Trading as Mail Metrics)
	Contractor Size	Large	Large
	Contractor Location	London	Bellshill
	Payment of Living Wage?	Yes	Yes
	Living Wage Accredited?	No	Yes